

NEWS FROM ED MARKEY

United States Congress Massachusetts Seventh District

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MARKEY REPORT: ENERGY PRICES IN NORTHEAST, MID-ATLANTIC, AND MIDWEST SET TO RISE SHARPLY

Lawmaker Calls for Emergency Home Heating Funds and Tapping Strategic Petroleum Reserve, Northeast Product Reserve in Light of New Report of Soaring Energy Prices

Washington, DC: Rep. Edward Markey (D-MA), a senior Member of the House Energy and Commerce Committee, today released a report showing that energy prices in the Northeast, the Mid-Atlantic, and the Midwest have skyrocketed over those charged from the winters between 1998 and 2000 and that if current trends persist, will continue to rise to record levels this winter.

“We are facing an energy emergency this winter, with home heating oil, natural gas, and propane prices all headed through the roof,” said Rep. Markey.

Rep. Markey explained, “The Bush Administration has failed miserably to address the harm that higher energy prices are doing to our economy and the burden that these high prices impose on consumers and businesses around the country.”

The report that Rep. Markey released today shows that this winter:

- the average national price for home heating oil is projected to be \$1.75 a gallon, representing a price increase of between 36% and 51% over the prices paid by Northeastern and Mid-Atlantic consumers between the winters of 1998 and 2000;
- the average national price for propane gas is projected to be \$1.53 per gallon, a 52% increase over the average Midwest regional prices paid by consumers between the winters of 1998 and 2000;
- the average price for natural gas is projected to be \$10.86 per thousand cubic feet, an increase of 59% over the price paid by Midwestern consumers between the winters of 1998 and 2000;

- average residential winter home heating oil expenditures this winter will rise by 62% over the winter 1998-2000 average in New England, by 57% in the Central Atlantic States, and 63% in the Lower Atlantic States.
- in the Midwest, when compared to the winter 1998-2000 averages, residential propane expenditures will rise by 47% while average residential natural gas expenditures will rise by 66%; and
- actual prices charged so far this fall are already exceeding some of the projected averages, suggesting that the prices paid by consumers this winter will go even higher.

The Markey report also shows that if this winter is just 10% colder than normal, home heating oil prices will go even higher than the 1998-2000 winter averages, including a 74% increase for New England, a 63% increase for the Central Atlantic states, and an 81% increase for the Lower Atlantic states. Under the same scenario, Midwestern propane expenditures would increase by 82% over the 1998-2000 winter average, while Midwestern natural gas prices would rise by an astounding 94%.

Rep. Markey noted that, “There are two short-term steps that need to be taken to respond to this looming home heating oil emergency. To address supply shortages or severe price spikes, the Bush Administration needs to prepare to make oil from the Northeast Home Heating Oil Reserve available as well as make additional oil available from the Strategic Petroleum Reserve. Since natural gas and propane prices often rise or fall in tandem with oil prices, decisive action to curb the current price spikes in the oil markets is needed.”

Rep. Markey continued, “Even OPEC is now calling on President Bush to release oil from these Reserves. Only the Bush Administration fails to recognize the need for quick and decisive action to address this looming winter heating crisis.”

In addition to opening the Northeast Home Heating Oil Reserve, Rep. Markey also called for Congress to allocate \$600 million in emergency funding for the Low-Income Home Energy Assistance Program (LIHEAP). Markey noted that additional LIHEAP funding could be added to the emergency supplemental currently pending before the Senate, H.R. 5212, which could be taken up before, or shortly after, the November elections.

“Based on a study released in April, the average grant provided to LIHEAP participants in 2003 was \$313. If LIHEAP participants had trouble heating their homes last winter, how could they possibly afford to pay their bills that have increased by an amount nearly equal to their LIHEAP grant? We’re going to be hearing a lot more stories about families who have to skip a mortgage payment or have to go a day or longer without eating just to pay their heating bill,” said Rep. Markey. “We are facing a huge challenge this winter as low-income consumers get slammed with prices so high that they will be forced to choose between heating and eating.”

“If Republican Leaders in Washington are willing to approve an emergency supplemental appropriations bill to help the people of Florida deal with the devastating hurricanes that hit them in September, why aren’t they also willing to help low-income families in the

Northeast and the Midwest deal with the home heating oil hurricane that is now headed right towards them?”